FIRs against Bank Officers

*134. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "FIRs against three bank officers in Rs. 2 crore fraud" which appeared in the Express Newsline dated the 18th April, 1999;

(b) if so, the details thereof; and

(c) what is Government's reaction thereto and the steps taken to make the bank officials follow the RBI laid down norms and procedures scrupulously?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Dena Bank has reported that exceedings in many cash credit accounts in Mayapuri branch, New Delhi were allowed by officials beyond their delegated powers. After inquiry, the bank suspended two Branch Managers and one accountant and has initiated departmental proceedings against them as well as other officials involved. The bank has further reported that a complaint has been filed with Central Bureau of Investigation (CBI) who have registered four cases in the matter.

(c) Comprehensive guidelines issued by Reserve Bank of India (RBI) regarding prevention of frauds which *inter-alia* include strengthening of internal control mechanisms, review of fraud cases on continual basis, undertaking concurrent audit covering branches accounting for 50 per cent of bank's business, scrutiny of cash deposits and withdrawals of Rs. 10 lakhs and above, improving housekeeping and imparting training to operational personnel are being implemented by banks. Frauds in banks are monitorable by RBI till action on recovery, complaint to investigating agencies and staff accountability is completed in each case.